

109TH CONGRESS
1ST SESSION

H. R. 1275

To amend the Internal Revenue Code of 1986 to increase the amount which may be excluded from the gross income of an employee for dependent care assistance with respect to dependent care services provided during a taxable year, to adjust such amount each year by the rate of inflation for such year, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 14, 2005

Ms. BALDWIN (for herself, Mr. VAN HOLLEN, Ms. WOOLSEY, and Mr. SNYDER) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to increase the amount which may be excluded from the gross income of an employee for dependent care assistance with respect to dependent care services provided during a taxable year, to adjust such amount each year by the rate of inflation for such year, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Working Parents Child
5 Care Relief Act”.

1 **SEC. 2. INCREASE OF AMOUNT WHICH MAY BE EXCLUDED**
 2 **FROM GROSS INCOME OF EMPLOYEE FOR DE-**
 3 **PENDENT CARE ASSISTANCE AND ANNUAL**
 4 **ADJUSTMENT OF AMOUNT FOR ANNUAL**
 5 **RATE OF INFLATION.**

6 (a) INCREASE OF AMOUNT.—Section 129(a)(2)(A) of
 7 the Internal Revenue Code of 1986 is amended by striking
 8 “\$5,000 (\$2,000” and inserting “\$6,000 (\$3,000”.

9 (b) ANNUAL ADJUSTMENT.—Section 129(a)(2) of
 10 such Code is amended by adding at the end the following
 11 new subparagraph:

12 “(D) ADJUSTMENT FOR INFLATION.—

13 “(i) IN GENERAL.—In the case of any
 14 taxable year beginning in a calendar year
 15 after 2005, each amount specified in sub-
 16 paragraph (A) shall be increased by an
 17 amount equal to the product of—

18 “(I) such amount, and

19 “(II) the cost-of-living adjust-
 20 ment determined under section 1(f)(3)
 21 for the calendar year in which the tax-
 22 able year begins, determined by sub-
 23 stituting ‘2004’ in subparagraph (B)
 24 thereof.

25 “(ii) ROUNDING.—If any increase de-
 26 termined under clause (i) is not a multiple

1 of \$50, such increase shall be rounded to
2 the nearest multiple of \$50.”.

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to taxable years beginning after
5 December 31, 2004.

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